

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Michael F. Murphy, Executive Director

MEMORANDUM

BOARD OF DIRECTORS - KINGSTON LOCAL DEVELOPMENT CORPORATION
JAMES NOBLE, CITY OF KINGSTON ALDERMAN AT LARGE
CARLY WILLIAMS, CITY CLERK
MICHAEL F. MURPHY, KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE
JENNIFER J. FUENTES, KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE
AMANDA L. BRUCK-LITTLE, KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT
GREGG H. SWANZEY, DIRECTOR OF ECONOMIC DEVELOPMENT FOR STRATEGIC PARTNERSHIP
SUZANNE CAHILL, CITY PLANNER
BRENNAN L. ROBINSON, ECONOMIC DEVELOPMENT COORDINATOR / ZONE COORDINATOR EZ
MICHAEL F. JORDAN, ESQ., COUNSEL KLDC
DANIEL MARSH III, NATIONAL DEVELOPMENT COUNCIL DIRECTOR
DAILY FREEMAN, 79 HURLEY AVENUE, KINGSTON, NY 12401
WKNY, PO BOX 1398, KINGSTON, NY 12402
WGHQ, 82 JOHN STREET, KINGSTON, NY 12401
BRIAN JONES, WPHD/WCZX/WEOK/WRRV, PO BOX 416, POUGHKEEPSIE, NY 12602
POSTMASTER, KINGSTON PO BOX 9998, KINGSTON, NY 12402-9998

FROM: SHAYNE R. GALLO, MAYOR/PRESIDENT OF KLDC BOARD OF DIRECTORS

RE: KINGSTON LOCAL DEVELOPMENT CORPORATION BOARD MEETING

Please be advised that a meeting of the Kingston Local Development Corporation will be held at **8:00 a.m., Thursday, May 17, 2012**. Said meeting will be held in the Mayor's Conference Room, City Hall, 420 Broadway, Kingston, NY 12401.

AFFIDAVIT OF MEETING:

I, Bradley Jordan, Secretary for the Board of Directors of the Kingston Local Development Corporation, did on the **7th day of May, 2012** mail this notice to the individuals listed above. Mailing was accomplished by sealing said notice in an envelope and depositing same, with postage thereon, full pre-paid, with the United States Post Office.



BRADLEY JORDAN, SECRETARY

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*Michael F. Murphy, Executive Director
Jennifer J. Fuentes, Executive Director*

AGENDA

Thursday, May 17, 2012 @ 8:00 a.m.

1. Call to Order
2. Review Financial Statements – December 31, 2011
(an electronic version can be found on the City of Kingston – KLDC website)
3. NYSABO- Public Authorities
 - a. Committees
 - b. Policies to come into compliance
4. Portfolio Review - past due accounts and outstanding issues
 - a. Spada
 - b. Villa Carmella
 - c. Seven21 Media
 - d. Armor Dynamics
5. General Business
6. New Business
 - a. Business Analyst Foundation Center
7. Approval of Minutes of Previous Meeting from March 8, 2012
8. Adjournment

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May 17, 2012

PRESENT:

BOARD MEMBERS - President Gallo, Vice President Dwyer, Treasurer Mills & Mathews, Fitzgerald, Potter, Rev. Childs, Reinhardt & Turco-Levin

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - M. Murphy

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - Fuentes

RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little

CITY PLANNER - Cahill

ECONOMIC DEVELOPMENT AND STRATEGIC PARTNERSHIP DIRECTOR - Swanzey

ECONOMIC DEVELOPMENT COORDINATOR- Robinson

ABSENT:

BOARD MEMBERS - Secretary Jordan

Meeting was called to order by President Gallo at 8:09 am.

REVIEW FINANCIAL STATEMENTS - December 31, 2011 - Though the income statement shows a loss of about \$61,000 with depreciation of \$129,000 from the Armor Dynamics Building, but also shows a profit of approximately \$68,000. The balance is fairly strong and income increased a little since ADI have been current in their payments. Mr. Mathews spoke about the \$167,000 in grant to the KLDC has given the City for the Lighthouse as it benefits all citizens and believes that should be known as it is showing as a loss but wasn't really because money was given to tourism. The Board asked Ms. Cahill the status of the lighthouse and she reported the portico which was becoming a safety issue was being restored and that the windows had been refurbished.

NYSABO - Public Authorities - Though the committees had somewhat been formed last year via appointment, Ms. Fuentes suggested that with the knowledge the Board had gained from the Board training the members should choose which committees they would prefer to serve on.

- ▶ **Governance Committee:** Rev. Childs, Vice President Dwyer, Ms. Potter, Mr. Jordan & Ms. Turco-Levin
- ▶ **Finance Committee:** Mr. Reinhardt, Mr. Mathews, Mr. Fitzgerald and Treasurer Mills
- ▶ **Audit Committee:** Mr. Reinhardt, Mr. Mathews, Mr. Fitzgerald and Treasurer Mills

Ms. Fuentes would like to schedule meeting for each committee as the first meeting should be in person and after the initial meeting, the committees could hold a conference call. All meeting must have minutes to correlate. Each committee will review and if necessary form policies that will bring the Board into compliance.

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PORTFOLIO REVIEW -

Noah Hotel - Mr. Murphy and Ms. Robinson met with City of Kingston Corporation Counsel, Andrew Zweben regarding the soil issue Mr. Blaichman was having with the City and the withholding of payments to the KLDC. Mr. Zweben has spoken with Mr. Blaichmans attorney and told Mr. Murphy and Ms. Robinson he presumes the KLDC will proceed accordingly and begin foreclosure proceedings. If and when a third part lawsuit should happen, he will worry about it at that time. Mr. Blaichman is in default to the KLDC \$140,000.

Michael Spada - Mr. Murphy has spoken with Mr. Garrett Roach who now has an attorney and Mr. Spadas attorney Ms. Nancy Riseley and they will close within 60 days. \$250,000 and assume current loan for an approximate total of \$590,000. In addition, President Gallo spoke with Ms. Riseley and she informed him that there should be a closing within 60 days. A motion was made by Ms. Potter to extend delaying the foreclosure action for 60 days and for Ms. Fuentes/Mr. Murphy to stay in touch with Ms. Riseley and should the deal fall through after the 60 days, to immediately proceed with foreclosure proceedings. Second by Mr. Mathews. Motion carried.

Villa Carmella – The loan for Villa Carmella had been restructured last year due to economic pressures which caused them to fall behind 1 ½ - 2 years. Their agreement was \$2,000 per month. Unfortunately, they are still behind. Mr. Murphy and Ms. Fuentes are recommending to reduce Villa Carmella's monthly payment to \$1200 per month in hopes that will allow the business to meet all their obligations. A motion was made by Mr. Fitzgerald to again restructure the loan to lower the amount to \$1200 for a period of one year. Second by Vice President Dwyer. Motion carried.

Seven21 Media - Mr. Murphy & Ms. Fuentes met with Henry Ellenbogen because they have fallen behind by four months and have had some hardship with the loss of tenants which has cost them approximately \$60,000 in rent. In addition, they replaced a boiler at a cost of about \$30,000. Mr. Fitzgerald requested copies of their leases and financials for the Boards review. Mr. Murphy said both he and Ms. Fuentes would revisit the Ellenbogens and request them.

Armor Dynamics - Mr. Murphy had called Mr. Warren to no avail. Ms. Fuentes told the Board that both her and Mr. Murphy had taken a trip to both the Rosendale and Kingston locations to try to confirm what the actual status of the company is. During the visit Mr. Murphy inquired about the un-returned call and was informed Mr. Warren doesn't return phone calls. Notification was received yesterday at 4:30 that no one could attend this Board meeting, fortunately they were busy but would like to meet at a future date. President Gallo said he would follow up with Mr. Murphy and Ms. Fuentes in regards to ADI and will make every effort to meet with them. ADI is presently current on their rent.

Rositas- At this point we are awaiting the Judge to set the date of sale which will take between 6-8 weeks. The Judge will then issue a judgment. Ulster Savings Bank has already filed their papers and the KLDC is piggy backing off Ulster Saving Bank.. Ms. Cahill had mentioned that Rosita's does not have a renewed special permit but continue to set up their tables which block the walkway. The Board agreed that issue should be addressed by Building and Safety.

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GENERAL BUSINESS-

Bronx Soda Pop- President Gallo told the Board that the company has now moved their product into Orange and Sullivan Counties. They are trying to market a diabetic soda and will need working capital. President Gallo mentioned he will be putting them in touch with Mr. Oats of Hudson Valley Economic Development Corporation who could potentially help them with low interest loans ranging between \$50,000-\$500,000.

Boice Bros. Dairy / Hudson Valley Fresh - This company is looking to expand and produce yogurt. President Gallo will also put them in touch with Mr. Oats of Hudson Valley Economic Development Corporation.

NEW BUSINESS -

Business Analyst Foundation - A request was received from the Office of Economic Development for the KLDC to purchase a subscription. The data base would give access to every foundation throughout the country. It would be a research tool and great resource to be used with businesses and not for profits to search out grants. Since the total cost is \$3500 and admin is tight, Ms. Fuentes suggested \$1000 towards the cost of the one year subscription. Mr. Swanzey spoke about the foundation and its purpose. The Board had a lengthy discussion about the need for this request and the benefit to the KLDC. Board members questioned why it was not being paid for by the Office of Economic Development as it would serve their needs more than the KLDC. The Board agreed that the request for funding should be taken to UCDC and UCIDA as it seems to be something that would be able to serve all municipalities within the county, not specifically KLDC. President Gallo said he would be in touch with Mr. Marquette and Mr. O'Halloran in a week or so and would bring it up to them.

Kings Inn - Ms. Fuentes told the Board that money had been donated to help beautify the Kings Inn site and had to go to a 501(3)(c) so the money is going through the KLDC. There have been tree plantings and new planters and benches will be put in as well. J & J Sass has donated their services for the lighting and additional parking will be available for when a venue at UPAC limits parking for neighboring businesses. Mr. Mathews made a suggestion that small plaques be put up at the site to recognize those who are helping in the beautification efforts.

President Gallo has had conversations with prospective developers for the uptown parking garage and told the Board he would like to see the KLDC take title to both Kings Inn and the uptown parking garage and within a year time at least have the uptown site shovel ready. He believes the two sites could be marketed better and more efficiently if KLDC took title to the properties.

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President Gallo spoke of a meeting he had with surrounding town supervisors regarding restructuring of public access. A mission statement will need to be put in place if this were to happen. A Board of Directors would have to be formed and Executive Director would be hired. Further discussions will happen in regard to this plan and the Board will be updated in the near future.

A motion to accept the minutes from the previous meeting of March 8, 2012 was made by Mr. Mathews and second by Ms. Potter. Motion carried.

At 9:27 am a motion was made by Ms. Turco-Levin . Second by Mr. Fitzgerald. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little
Recording Secretary